

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:
	:
LEHMAN BROTHERS HOLDINGS INC., et al.,	:
	:
Debtors.	:
	:
----- X	

**AFFIRMATION OF CLAIMANT Steven Engel IN OPPOSITION TO DEBTORS'
313th OMNIBUS OBJECTION (TO RECLASSIFY PROOFS OF CLAIM AS
EQUITY INTERESTS) DATED JUNE 4, 2012**

Steven Engel affirms under penalties of perjury as follows:

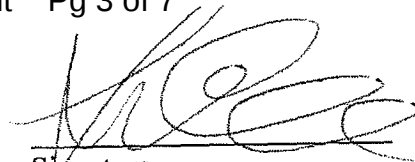
1. I was employed by Lehman Brothers from September 1996 through September 2008. (I continued to be employed by Lehman Brothers through the bankruptcy and was transferred to become a Barclay's employee following the bankruptcy)
2. Attached hereto as Exhibit 1 is the original Proof of Claim that I filed in connection with my contract rights under the RSU Agreements. This initial Claim was assigned Claim No. 15255.
3. On the attached Exhibit 1, all of the typed information was contained in the form when Debtors provided it to me. I added only my phone number, email address, the amount of the claim. The portion that the estate is seeking to reclassify as equity is \$149,870 (based on an "Executive Compensation Summary" provided by Lehman Brothers, which I attached), and my signature and date. All of these documents are attached with Exhibit 1, together with Debtors' acknowledgement of receipt of the proof of claim.

4. The practice followed each year by Lehman Brothers was to provide a form stating the bonus to which I was entitled for the year, and describing the portion of the bonus that was to be reserved by Lehman Brothers pursuant to the RSU Agreement for that year. Cash was set aside on an ongoing basis to purchase shares as part of the share buyback program (this program was managed to account for all changes in shares outstanding including RSU distributions, option executions as well as general share buybacks)

5. I never paid tax on the portion of any bonus reserved under the RSU Agreements. For prior years, not at issue here, after my interests vested and I was permitted to draw down on my RSU account, Lehman Brothers would retain a portion in cash to pay the federal withholding tax, and then would use the balance to provide me with Lehman Brothers shares. The entire amount of the bonus was treated as ordinary income to me and was taxed at ordinary income rates. My understanding is that Lehman Brothers was entitled to a business expense deduction for the amount of this portion of the bonus, but only at the time that it was actually paid.

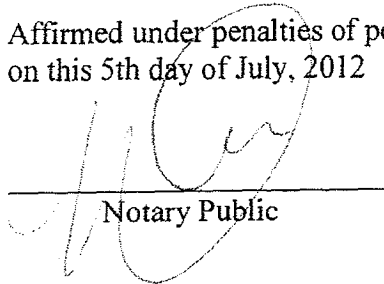
6. The economic substance of the RSU Agreements to me was that a portion of the bonus that had been declared for me was held back, and would be paid to me only after passage of five years, during which I was subject to ongoing contractual obligations. At no time did Lehman suggest that I had ever failed to perform any of these contractual obligations, the breach of which could result in rescission of my bonus. However, under the terms of the RSU Agreements, Lehman Brothers was not required to pay me anything from this reserved bonus, and in fact Lehman Brothers did not pay me anything, until five years after we entered into that RSU Agreement.

7. Even after vesting I was not permitted to draw down on the shares until five years after the date of the RSU Agreement. During this entire time my right to draw down on the shares was contingent on my continued performance of contract obligations


Signature

Steven Engel
Printed Name

Affirmed under penalties of perjury
on this 5th day of July, 2012


Notary Public

IRIS FERNANDEZ
Notary Public
State of New Jersey
My Commission Expires Jan. 12, 2017
I.D.# 2416112

EXHIBIT 1

08-13555-mg Doc 29254-5 Filed 07/06/12 Entered 07/06/12 12:11:41 Steven
Engel Affidavit Pg 5 of 7

United States Bankruptcy Court/Southern District of New York Lehman Brothers Holdings Claims Processing Center c/o Epiq Bankruptcy Solutions, LLC FDR Station, P.O. Box 5076 New York, NY 10150-5076		PROOF OF CLAIM	
In Re: Lehman Brothers Holdings Inc., et al. Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)	Filed: USBC - Southern District of New York Lehman Brothers Holdings Inc., Et Al. 08-13555 (JMP) 0000015255 	
Name of Debtor Against Which Claim is Held Lehman Brothers Holdings Inc.	Case No. of Debtor 08-13555 (JMP)	THIS SPACE IS FOR COURT USE ONLY	
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503. Additionally, this form should not be used to make a claim for Lehman Programs Securities (See definition on reverse side).		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____	
Name and address of Creditor: (and name and address where notices should be sent if different from Creditor) Steven Engel 15 Oran Place Morganville, NJ 07751 Telephone number: 732-772-9859 Email Address: sengel0720@yahoo.com			
Name and address where payment should be sent (if different from above) Telephone number: _____ Email Address: _____		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
1. Amount of Claim as of Date Case Filed: \$ 284,161.36 If all or part of your claim is secured, complete Item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete Item 5. If all or part of your claim qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9), complete Item 6. <input type="checkbox"/> Check this box if all or part of your claim is based on a Derivative Contract.* <input type="checkbox"/> Check this box if all or part of your claim is based on a Guarantee.* *IF YOUR CLAIM IS BASED ON AMOUNTS OWED PURSUANT TO EITHER A DERIVATIVE CONTRACT OR A GUARANTEE OF A DEBTOR, YOU MUST ALSO LOG ON TO http://www.lehman-claims.com AND FOLLOW THE DIRECTIONS TO COMPLETE THE APPLICABLE QUESTIONNAIRE AND UPLOAD SUPPORTING DOCUMENTATION OR YOUR CLAIM WILL BE DISALLOWED. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of interest or additional charges. Attach itemized statement of interest or charges to this form or on http://www.lehman-claims.com if claim is based on a Derivative Contract or Guarantee.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim: <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input checked="" type="checkbox"/> Wages, salaries or commissions (up to \$10,950), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,425 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). Amount entitled to priority: \$ 10,950 <input checked="" type="checkbox"/>	
2. Basis for Claim: Employee Comp Priority, Accrued Vacation, Accrued 2008 Bonus, Partnership Plan (See instruction #2 on reverse side.)		FOR COURT USE ONLY <div style="border: 2px solid black; padding: 10px; text-align: center;"> FILED / RECEIVED SEP 17 2009 EPIQ BANKRUPTCY SOLUTIONS, LLC </div>	
3. Last four digits of any number by which creditor identifies debtor: 8472 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)			
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____ Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		7. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 8. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages and security agreements. Attach redacted copies of documents providing evidence of perfection of a security interest. (See definition of "redacted" on reverse side.) If the documents are voluminous, attach a summary. DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain: _____	
6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9): \$ _____ (See instruction #6 on reverse side.)			
Date: Sept 16, 2009	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. 		
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.			

ALL TERMS REMAIN SUBJECT TO THE RULING OF THE U.S. BANKRUPTCY COURT***

LEHMAN BROTHERS

Executive Compensation Summary

Steven J. Engel

Employee ID: 10085944

AWARD UNITS									
Grant Date	Plan Description	Units Granted	Equity Award	Units Vested	Value	Units Exercised	Value	Units Forfeited	Value
35.095 December 10, 2003	2003 Firmwide Principal	224.14	11.98	236.12	0.00	236.12	236.12	0.00	236.12
42.00 December 10, 2003	2003 Firmwide Discount	74.70	4.00	0.00	0.00	74.70	74.70	0.00	74.70
43.00 December 09, 2004	2004 Firmwide Principal	256.42	11.52	267.94	0.00	267.94	267.94	0.00	267.94
63.00 December 09, 2004	2004 Firmwide Discount	85.46	3.75	0.00	0.00	89.21	89.21	0.00	89.21
71.03 November 30, 2005	2005 Firmwide Principal	253.86	9.32	263.28	0.00	263.28	263.28	0.00	263.28
73.47 November 30, 2005	2005 Firmwide Discount	84.66	3.60	0.00	0.00	87.86	87.86	0.00	87.86
75.92 December 08, 2006	2006 SVP Principal	447.90	13.28	0.00	0.00	461.18	461.18	0.00	461.18
78.45 December 08, 2006	2006 SVP Discount	149.30	4.90	0.00	0.00	153.60	153.60	0.00	153.60
80.98 December 07, 2007	2007 SVP Principal	587.76	12.11	0.00	0.00	599.87	599.87	0.00	599.87
83.51 December 07, 2007	2007 SVP Discount	195.92	4.60	0.00	0.00	199.92	199.92	0.00	199.92
86.04 July 01, 2008	July 2008 RSU	355.95	4.50	0.00	0.00	360.45	360.45	0.00	360.45
						2,787.91	2,787.91	0.00	2,787.91

Lehman Brothers Partnership Asset
2 weeks accrued vacation
Estimated 2008 accrued bonus @ 277 days
(Nov 30, 2007 - Sept 12, 2008)
\$ 10,000
\$ 4,340.15
\$ 117,945.21

*Award Units are those equity-based awards other than stock options, i.e. Restricted Stock Units, Conditional Equity Awards or Contingent Stock Awards, as applicable.

**Units Vested refers to that portion of the award that has become vested and/or subject to limited conditions, as determined under the applicable plan documents.

***AS A RESULT OF LEHMAN BROTHERS HOLDINGS INC.'S BANKRUPTCY FILING, THE TREATMENT OF ALL OUTSTANDING EQUITY AWARDS REMAIN SUBJECT TO SUCH PROCEEDING IN THE U.S. BANKRUPTCY COURT.

Data as of September 12, 2008

Prepared on September 14, 2009

